

1 who the end user is or where it originated, and if
2 the -- also, if the -- if it was originated from a
3 ported local number on the other end and the LRN,
4 the local routing number, the location routing
5 number, is not populated, we would not be able to
6 look it up.

7 As a matter of fact, we would do a lookup
8 on the first six digits, so we would look up the NPA
9 and NNX of the originating number, and we would
10 identify the donor switch, which would be the
11 company that had ported out the number.

12 So those are some instances where we
13 wouldn't be able to identify the originating
14 carrier.

15 MR. KOERNER: Do you tend to bill the
16 originating carrier when you know who it is or do
17 you bill through the next immediate upstream?

18 MR. SMITH: No, the person that is
19 terminating the call to us is the party that we
20 would be looking for, for the access, because again,
21 it's coming in from an interexchange carrier. We're
22 assuming that interexchange carrier that's

1 delivering it to us is the party that is billing the
2 end user. So we would assess the charge to them.

3 MS. SHETLER: And you can always identify
4 the interexchange carrier that delivers it?

5 MR. SMITH: Yes, by the trunk route it's
6 coming over.

7 MR. KOERNER: Regardless of whether they
8 have a CIC code --

9 MR. SMITH: If it's an interexchange
10 carrier, there is a CIC code associated with the
11 trunk group coming in. With wireless carriers and
12 other CLECs, sometimes there is not a CIC code,
13 because they were not assigned CIC codes initially;
14 only interexchange carriers that purchased feature
15 group D service had CIC codes.

16 MR. KOERNER: Could you explain what this
17 jurisdictional information parameter number is, the
18 JIP code, is that something else that would be
19 missing?

20 MR. SMITH: JIP is jurisdictional
21 indicator parameter. It is a code that is sometimes
22 used and sometimes not used within the industry, and

1 it is not a field on the -- that is approved for use
2 on the EMI record, the exchange message interface
3 record, which is what we exchange with the carriers.

4 To the extent it is not yet approved,
5 standards don't exist for its use on that EMI
6 record. It's a field Verizon doesn't use, because
7 it's used by carriers intermittently.

8 MR. KOERNER: Is that the field that you
9 would have to change your billing systems for in
10 order to populate for Cavalier, with regard to the
11 Cavalier-specific --

12 MR. SMITH: If we were to honor Cavalier's
13 request to do that, we would have to modify our
14 systems to do something that is nonindustry
15 standard, okay, and just specific to Cavalier, or --
16 which is extremely difficult to do, is to run your
17 systems in two different modes. Or we would have to
18 modify it for everybody, which would mean we would
19 then be doing things that might cause other carriers
20 problems.

21 MR. KOERNER: Are these other codes all
22 populated fields, the CIC, OCN, CPL and LRN?

1 MR. SMITH: Those are fields that are
2 populated as the information is passed to us. So if
3 we get the calling party number, we pass the calling
4 party number. If we don't get the calling party
5 number, sometimes we get what is called a charge
6 number over the SS7 signaling stream. And when we
7 get -- SS7 stands for signalling system 7.

8 When we get that over the SS7 stream and
9 we don't get a CPN, we will populate the charge
10 number in the from number field on the EMI record,
11 because it is the best information we have available
12 that has been provided to us by the carrier.

13 MR. KOERNER: Okay. What is Verizon's
14 view of what information Cavalier needs to render a
15 bill to the originating carrier?

16 MR. SMITH: One of the key things is
17 either the CIC or the OCN, because that identifies
18 who should be billed. And in virtually all cases
19 and records we have looked at, the CIC or the OCN
20 are populated.

21 Now, sometimes both are populated so a
22 decision has to be made which one to use. That, you

1 know, can cause -- I can say it might cause
2 confusion, but we would always go with the CIC when
3 it is populated.

4 MR. KOERNER: If neither of those fields
5 is populated, what do you think Cavalier would need
6 to render its proper bill?

7 MR. SMITH: I mean, if neither of those
8 fields is populated, I'm not sure that they would be
9 easily able to render a bill to a carrier. But
10 that's what I said, you know, in virtually all cases
11 we've looked at, either the CIC or OCN has been
12 populated.

13 MR. KOERNER: Okay. And that's the --
14 Cavalier has suggested that 83 percent of calls have
15 a CIC or an OCN number. Is that -- does that
16 comport with your understanding?

17 MR. SMITH: Some of the confusion, I
18 think, is -- when I looked at Cavalier's data, and
19 it was a little confusing, because some of it was
20 pulled from their own switch. What we're doing here
21 is we're providing the records that they should be
22 using for billing, either the meet point billing

1 calls, the access calls that we are passing to them,
2 or the tandem transit calls that are transiting our
3 network to get to them.

4 On those records that we provide over the
5 meet point billing stream, the 11-01-01 records that
6 we've been talking about, on virtually all of those,
7 the OCN or the CIC is populated and would allow them
8 to bill a customer.

9 Now, what sometimes isn't populated is the
10 jurisdiction of the call, and that is --

11 MR. KOERNER: Is that the JIP?

12 MR. SMITH: Not necessarily the JIP.
13 There are, on the EMI record there is a field, 8 is
14 interstate -- I'd have to go back to my records. Z
15 is unknown. Sometimes Z is populated. And when
16 those are passed, Cavalier has the ability to do a
17 lookup on the originating and terminating number, or
18 if they have the unknown, they can use a factor that
19 they have negotiated with the carrier that is
20 identified by the CIC or OCN. And that's exactly
21 what Verizon does.

22 The records that we pass to Cavalier are

1 the same records that we use for our billing to the
2 carriers. So we have nothing more than what we're
3 passing to Cavalier or to any CLEC.

4 MR. KOERNER: Would Cavalier need to have
5 a direct relationship with that carrier in order to
6 have a factor for it?

7 MR. SMITH: They would not need to have a
8 direct interconnection. They would need to have
9 some relationship, to send them a bill. And through
10 meet point, they would have that. I mean --

11 MR. KOERNER: Okay. What is Verizon's
12 understanding of what the OBF guidelines require
13 Verizon to pass to Cavalier, for instance?

14 MR. SMITH: There are a very large number
15 of guidelines that are defined in the OBF documents,
16 and I do believe we are following them. I mean,
17 what we're looking at here for that issue 1921 that
18 we were talking about is just a subset of an
19 enormous volume of documentation that tells us how
20 to populate the records, depending on the type of
21 call, originating, terminating, et cetera.

22 MR. KOERNER: But not this JIP?

1 MR. SMITH: JIP is not a field that is
2 required in the EMI guidelines.

3 MR. KOERNER: And not the LRN either?

4 MR. SMITH: The LRN, the location routing
5 number, you have both an originating and
6 terminating. When that information is passed to
7 Verizon, we go ahead and use that and pass that on
8 to Cavalier. If it's not passed to us, then we
9 don't have it and there's not much we can do with
10 it. It's really the originating LRN, I think, that
11 Cavalier is interested in, because the terminating
12 LRN would be Cavalier.

13 MR. KOERNER: Okay. I'm going to ask
14 similar questions of Cavalier. Just generally, do
15 any of you agree with what Mr. Smith just explained
16 about the way the billing works with the upstream
17 carriers? Do you have a different view?

18 MR. HARABURDA: Yes, in principle, the
19 idea that I have is the same that Mr. Smith talked
20 about, where we want to bill for our termination
21 leg, the same person that he billed for the fee to
22 go across and come into his network. And the issue

1 that we have is finding the right information in the
2 call records, based upon the sources where we're
3 getting the call records, to identify that party.

4 MR. KOERNER: Okay. Now, if Verizon is
5 populating when it has -- populating the CIC, the
6 OCN, the CPN and LRN fields when they have that
7 information, what more would you expect Verizon to
8 do when they don't have that information?

9 MR. HARABURDA: When Verizon doesn't have
10 the information to pass, there's nothing else to
11 pass, so the issue is, I'm getting the traffic from
12 a certain point, which is Verizon's network, so why
13 can't I bill it back to Verizon, as opposed to me
14 being a clearinghouse to try to figure out who that
15 traffic belonged to.

16 MR. KOERNER: Which is what you believe
17 Verizon does, they will bill the next upstream
18 carrier, rather than figuring out who the
19 originating carrier is?

20 MR. HARABURDA: Correct. And second point
21 is the comments Mr. Smith has made on the EMI
22 standard pertains only to the meet point billing

1 tapes. It does not pertain to the switch records we
2 are recording on the end office tapes, to record the
3 local mobile toll traffic, where the standard does
4 not require anybody to pass CIC, therefore ownership
5 is a very hard determination to make off those
6 switch records.

7 So when CIC and OCN are passed, we're more
8 than happy to follow the same rules that Verizon
9 uses to bill their carriers. But when the
10 information is not there, we have no other recourse
11 but to go back to the person who sent the traffic to
12 us. And I'm sure they would do the same scenario
13 where Pac Bell sends a call to AT&T, sends a call to
14 MCI, Verizon bills MCI for the call and hands it off
15 to them.

16 MS. NATOLI: So in that scenario, how
17 would you propose to bill Verizon? And I think you
18 may have touched on it, various of the three, in
19 your testimony. But would you base it on the trunk
20 group that it came over to you, if it came over a
21 local trunk group, you would bill them? If it was a
22 comp and it came over an access --

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1 MR. HARABURDA: Actually we do a
2 screening. Per our tariffs we do call-by-call-based
3 billing within carrier access billing. What we do
4 is we have the same rules that Verizon uses to
5 determine local jurisdictions of a call, and we use
6 that same language and logic in our billing stream.

7 MR. LERNER: How are you going to know
8 that if you don't have the -- any of the data that
9 we've been talking about?

10 MR. HARABURDA: That's a correct
11 statement. I believe our federal tariff takes care
12 of that scenario, where if we can't determine
13 jurisdiction we have repercussions.

14 MS. NATOLI: Is that where you do the POU
15 and PIU and you determine it based on the percentage
16 that is agreed upon of what allocation of
17 unidentified traffic is local or access?

18 MR. HARABURDA: Exactly, the 95-5
19 referenced in the interconnection, right, the 95
20 percent rule.

21 MS. NATOLI: I'm not familiar with that
22 rule. That may very well be your PIU -- that's your

1 percentage?

2 MR. LERNER: Mr. Whitt?

3 MR. WHITT: Yes, I think our thought
4 behind it is optimally we would like to bill call by
5 call for as much as we can. We feel like that's the
6 most accurate way. I think Verizon chooses to
7 pretty much factor with folks. But our thought was
8 if you kind of have an error rate between zero and 5
9 percent, at that point you put a factor on it, but
10 at some point you need to put a penalty on it, if
11 Verizon is going to collect from someone who handed
12 them the call, we feel at that point if they're
13 going to have an error above 5 percent, we should be
14 able to charge an access rate, which is in effect
15 some sort of a penalty. But we try to do call by
16 call as much as we can, but we recognize we can't do
17 that at all times, because the data is not there.

18 The other issue we run into quite frankly
19 on the meet point tapes, there's a lot of talk about
20 that's basically access only calls. We're not
21 seeing that. We're seeing high volumes of local
22 calls come through, because we screen those calls.

1 What we've noticed I guess with our interactions
2 with other CLECs and other carriers, a lot of times
3 folks bill us basically on the Verizon meet point
4 tapes, they charge us pure access on all the calls
5 that come through. So we'll get a bill from another
6 CLEC that will basically have no local and all
7 access.

8 When we request the call detail records,
9 it becomes evident at that point that there are, in
10 fact, local calls and access, which is exactly what
11 we see on our meet point tapes. And that's why we
12 screen our tapes, because they mix -- the trunks
13 somehow get mixed and we get overflow of local calls
14 coming on the meet point tapes. We try to do the
15 best we can, but there's all sorts of scenarios
16 where you have -- I think we mentioned in our
17 testimony that you have millions of calls that come
18 through with the same to and from number, and I
19 think that's the case probably where Verizon sees a
20 from number and they populate the to number as the
21 from number. But in that case you really have no
22 way to base whether the call is local or access at

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1 that point.

2 And then I think Mr. Smith also mentioned
3 a case where I think we cited some instances with
4 another CLEC where we're seeing the charge number
5 come through, which in effect we're seeing on the
6 SS7 records no calling party number, but when we see
7 the meet point, it comes through with the charge
8 number.

9 So it's kind of a hodgepodge, but we do
10 the best we can.

11 MR. HARABURDA: Side note to that last
12 issue Mr. Whitt said is the repercussions of that
13 case is because a fictitious calling party number is
14 being put into the call record on the meet point
15 tape, we do our jurisdictional lookup of that
16 record, and magically it appears that it's a local
17 call because it's a local rate center calling a
18 local rate center per the Verizon tariffs. We rate
19 that as local, which you know what the rates are for
20 local compared to an interstate or intrastate call.
21 So that's a revenue impact to us that we're
22 underbilling.

1 MR. KOERNER: If an upstream carrier is
2 disguising the nature of its traffic and not sending
3 to Verizon the information that it needs to pass on
4 to you -- and Mr. Smith characterized it I think
5 somewhat as an industrywide problem -- why do you
6 believe Verizon should pay the penalty for that
7 other carrier's behavior inasmuch as you have this
8 95-5 split, where Verizon would pay you at a higher
9 rate for calls that lack that information?

10 MR. WHITT: I mean, there's another option
11 besides the penalty phase. I mean, our other
12 option, I think, is you block the call simply. I
13 mean, in our thoughts we feel like you're either
14 going to have to help compensate us if you've been
15 compensated, or if the call doesn't have what's
16 required, then block the call and -- that, in
17 effect, will require folks to put the proper data on
18 call. If they -- so they can't complete calls. I
19 mean, they're obviously trying to fraudulently get
20 around the system. That's the problem when you
21 try --

22 MR. LERNER: Wouldn't you have the option

1 of blocking the call, then, if you felt that was
2 appropriate?

3 MR. HARABURDA: Seemingly it doesn't
4 include CICs if it's coming to us, so we don't know
5 that we're missing the data.

6 MR. LERNER: Why not --

7 MR. HARABURDA: It's not required to send
8 data to our switches that contain carrier
9 identification code in the signal. That's not a
10 required field per the OBF, and I think Mr. Cole can
11 comment on that.

12 MR. COLE: You asked the question that --
13 I think -- would you re-ask that question, please?
14 Because you said something there that I questioned.
15 You said that when an upstream carrier sends traffic
16 and attempts to hide the nature of it, to Verizon,
17 how would -- would we expect to be paid for that
18 traffic. And --

19 MR. LERNER: It wasn't whether you expect
20 to be paid. It was whether you should charge
21 Verizon a penalty, in essence, for you terminating
22 the traffic because when they got it, it was missing

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1 this information.

2 MR. COLE: From an interexchange
3 perspective, Verizon would know every carrier that's
4 sending them traffic. So -- but we wouldn't. The
5 scenario that we talked about in C3, where the
6 call -- I mean, IXCs don't dip a lot and there are a
7 lot of originating carriers out there that don't dip
8 to start with. So the IXC doesn't know the LRN, or
9 the routing number.

10 So when it hits that Verizon end office
11 and the customer has been ported to Cavalier,
12 they're going to dip and send it to us. We're going
13 to -- you know, we wouldn't know; they would. And
14 they would get compensated for that call.

15 So I guess that's one scenario. Now, the
16 other --

17 MR. KOERNER: If I may interrupt for a
18 second. There's something I don't understand about
19 that. How is it that Verizon would know who the
20 carrier is but you would not? What is it that
21 Verizon is not passing along to you?

22 MR. WHITT: Mr. Smith just mentioned it.

1 They know what trunk group these calls are coming
2 over, from what carrier. We wouldn't necessarily
3 know that.

4 MR. KOERNER: What they might not know is
5 who beyond that immediate --

6 THE WITNESS: We get one big pot of calls
7 coming to us from Verizon where they have these
8 direct trunks with each carrier, I assume, CLEC,
9 where they're interconnected. They would know the
10 pipes these things are coming down, but we get one
11 big basket of these calls. We couldn't really tell
12 at that point who they're coming from. Where they
13 could see it where it's coming from on the front end
14 before they aggregate it and give them all to us.

15 MR. COLE: Because Verizon has the direct
16 trunking to those other carriers and will always
17 bill that last carrier, but even in an intraLATA
18 call scenario, as in Mr. Smith's testimony, they
19 would still know who that carrier was and would
20 still bill them, and we may not. I guess I
21 question -- my concern is that there's a perception
22 that these carriers are trying to cover up what

1 they're sending by not including a billing -- a
2 piece of billing information when the physical --
3 I'm an architecture guy, the physical architecture
4 says they know where every call came from and they
5 can bill back because they know.

6 MR. LERNER: "They" meaning?

7 MR. COLE: Verizon.

8 MR. LERNER: They may know that it came
9 from, using an example, AT&T, but they may not know
10 whether it was interstate or intrastate.

11 MR. COLE: That's correct.

12 MR. LERNER: If the information is
13 missing; right? All they will be able to know is
14 yes, we know it came from AT&T, but where --

15 MS. SHETLER: But you're not getting that
16 it came from AT&T; is that correct?

17 MR. WHITT: That's correct.

18 MR. LERNER: They may know it came from
19 AT&T over an access trunk group and you're not going
20 to know that.

21 MR. WHITT: You would think they would
22 have to know that because they would need to know

1 how to bill AT&T, whether it's recip comp, if it's
2 local AT&T customer, or access, access versus local.
3 I would think they keep the trunks separate.

4 MR. LERNER: That also doesn't mean that
5 carriers are hypothetically sending access traffic
6 over local trunk groups or vice versa.

7 MR. HARABURDA: That's why we're doing the
8 screening.

9 MS. NATOLI: When you do the screening,
10 what do you do to tell? You actually look at your
11 call records and you know what -- you obviously know
12 your local numbers.

13 MR. HARABURDA: Exactly. We do a LERG
14 lockup to understand from the LRN, the calling party
15 number and called number, various combinations and
16 escalations of where the call is coming from, where
17 it's going to. We have an identification in LERG 6
18 that tells me what rate center this is coming from.
19 We match the Verizon tariffs to say well, this rate
20 center to this one is local, but this one to this
21 one is not local, therefore it's a toll. Therefore
22 we make the determination, this is one state and the

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1 same state, intrastate. Or a different state to a
2 different state, interstate. Fairly simple, when we
3 have the data.

4 Part of the issue is this number coming
5 up, where it confuses the issue, and the example he
6 mentioned before with the call coming into the end
7 office, the dip going in, coming to us on the end
8 office trunk, we don't see the CIC, we don't know
9 it's an access call, we bill to Verizon and then the
10 number that we see on that call is probably going to
11 be the trunk on the end office where Verizon got it,
12 which means we look at that, call it a local call
13 and bill to Verizon as local, when that call should
14 be an access call.

15 I've pulled a couple call scenarios for
16 the meet point billing tape to expound on this and
17 show some descriptions of that.

18 MS. NATOLI: Can I just ask Mr. Smith a
19 question in that regard? In that scenario, I just
20 want to understand, then, Verizon is charging the
21 IXC that it's doing the dip for the entire access
22 charge rate that would govern, whereas if you

1 weren't doing the LNP dip and you were sending that
2 call straight through your normal meet point billing
3 arrangement to Cavalier's customer directly first,
4 without doing the dip and going, you know, rerouting
5 it, then the two of you share, under your meet point
6 billing arrangement, for access traffic the billing
7 of the access charge to that IXC.

8 But in any scenario, Verizon is still able
9 to collect some or all access charges, for all
10 long-distance calls.

11 MR. SMITH: For the calls coming in,
12 right. In the scenario we're talking about, we
13 would actually be paying Cavalier the reciprocal
14 compensation charge, which is less.

15 MS. NATOLI: Yes.

16 MR. SMITH: I don't think those instances
17 are a preponderance of the calls. The other thing
18 is, we do pass -- we're getting I think a little off
19 track with -- we do pass in all the records, they
20 said virtually all the records, OCN or CIC, which
21 allows them to identify the carrier that should be
22 billed, okay. The question that I think comes up

1 more often than not is whether that call is an
2 access call, a local call or an interstate access
3 call. And those can be identified through the use
4 of factors.

5 But who to bill, okay, that's why we
6 create the meet point billing records, because under
7 the OBF feed lines, it is the first point of
8 switching, which is in most cases our tandem, where
9 the record is to be cut, and that is where we
10 generate the meet point billing type record or the
11 tandem transit record and provide that to Cavalier,
12 so they will know who to bill.

13 MR. HARABURDA: Again the comment is that
14 the meet point billing tape is the one that would
15 contain the CIC, the end office trunking ones
16 collected off our own switch never collect the CIC
17 because that's not needed to be sent. So the issue
18 is we have calls where we -- the concept is two
19 issues. Ownership, jurisdiction. If we find
20 ownership, we can fight with that carrier and fight
21 with them to get closure on the issue. But if
22 it's -- we don't identify the ownership, we have no

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1 other recourse but to go back to Verizon.

2 MS. SHETLER: I just have a question
3 because I'm confused. It sounds like two different
4 things are being said. Is Verizon delivering the
5 CIC code for these calls that come over the local
6 trunk groups?

7 MR. HARABURDA: We do not see it on our
8 switch records.

9 MR. MILLER: Do you see it as part of the
10 MPR?

11 MR. HARABURDA: It's not part of the meet
12 point billing tape. That should be the access
13 traffic that comes from Verizon. You give us the
14 CIC on that; right?

15 MR. SMITH: We provide two types -- there
16 are two types of traffic we've been talking about
17 all morning. There is the meet point billing access
18 calls from interexchange carrier. For that we pass
19 the CIC because we get it off of the trunk group
20 that we see delivering the traffic to us. Then
21 there is transit traffic, which is for the other
22 carriers who are not directly interconnected with

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1 Cavalier, and they transit our tandem. We create
2 virtually identical records to meet point billing
3 records for those carriers, off of that traffic.

4 And we send those along with the meet
5 point billing records. So for all of the traffic
6 that is transiting our network, if you will, both
7 meet point billing, true meet point billing traffic,
8 and tandem transit traffic, we are delivering
9 11-01-01 records to Cavalier that contain either the
10 CIC of the interexchange carrier for the OCN of the
11 CLEC or if it's a wireless carrier that's
12 interconnected that way, all of that information is
13 provided on those tapes.

14 So Cavalier has all of the identification
15 of who to bill.

16 MS. SHETLER: So if there is a call that
17 comes -- that is this IXC that does not provide --
18 does not do LNP dips, when that call is -- and you
19 populate it with your own originating -- the trunk
20 group or switch number, you populate the originating
21 calling number if there isn't one that comes with
22 it, you would provide the CIC code with that?

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